

**Registered Office**

D.No. 8-2-120/113 Block  
B, 1<sup>st</sup> Fl, Sanali Info Park  
Road No 2, Banjara Hills  
Hyderabad -500033

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29<sup>th</sup> May-2022

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

Scrip Code: **532907**

**National Stock Exchange of India Ltd.**

“Exchange Plaza” Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051

Symbol: **IL&FSENGG**

**Sub: Outcome of Board Meeting**

The Board of Directors of the Company at its meeting held today, i.e, 29<sup>th</sup> May, 2022 have considered and approved inter alia, the Audited Financial Results (Standalone and Consolidated for the Quarter/Financial Year ended 31<sup>st</sup> March, 2022. A copy of the said results (Standalone as well as Consolidated) along with Audit Reports are enclosed herewith in compliance with Regulation 33 of SEBI (LODR) Regulations, 2015 as amended

1. The report of the Auditors is with modified opinion with respect to Audited Financial Results both Standalone and Consolidated for the quarter/financial year ended 31<sup>st</sup> March, 2022
2. The 33<sup>rd</sup> Annual General Meeting of the Company is scheduled to be held on Thursday, the 29<sup>th</sup> Day of September, 2022.
3. The meeting of the Board of Directors was commenced at 9 am and adjourned at 11:30 am and concluded at 21:15 hrs

We request you to take this intimation on your record.

Thanking you & with regards

For **IL&FS Engineering and Construction Company Limited**

NAVEEN KUMAR  
AGRAWAL

Digitally signed by NAVEEN  
KUMAR AGRAWAL  
Date: 2022.05.29 21:21:03  
+05'30'

**Naveen Kumar Agrawal**  
**Chief Financial Officer**



**IL&FS Engineering and Construction Company Limited**

CIN: L45201TG1988PLC008624

Regd. Office : D No 8-2-120/113,Block B,1st Floor, Sanali Info Park, Road No 2 ,Banjara Hills, Hyderabad - 500033

Phone-040 40409333; Fax-040 40409444

Website- www.ilfsengg.com; Email- cs@ilfsengg.com

**Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2022**

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	(Audited) Refer Note 13)	(Unaudited)	(Audited) Refer Note 13)	(Audited)	(Audited)
<b>1. Income</b>					
(a) Revenue from operations	9,698	4,740	15,346	30,764	33,274
(b) Other income	3,211	456	2,748	7,104	4,502
<b>Total Income</b>	<b>12,909</b>	<b>5,196</b>	<b>18,094</b>	<b>37,868</b>	<b>37,776</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	3,137	822	3,957	10,035	9,102
(b) Subcontracting expense	2,288	1,981	5,523	9,763	14,070
(c) Employee benefits expense	1,027	1,092	1,228	4,363	4,897
(d) Finance cost	434	2,188	2,752	4,600	4,270
(e) Depreciation and amortization	329	333	478	1,355	1,899
(f) Other expenses	1,129	2,160	1,259	7,322	3,816
(g) Expected credit loss and other provisions	15,329	4,592	21,149	21,121	23,528
<b>Total expenses</b>	<b>23,674</b>	<b>13,168</b>	<b>36,346</b>	<b>58,560</b>	<b>61,582</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>(10,765)</b>	<b>(7,972)</b>	<b>(18,252)</b>	<b>(20,692)</b>	<b>(23,806)</b>
4. Exceptional items (net) (refer note 10)	24,299	(6,356)	-	<b>17,943</b>	4,758
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(35,064)</b>	<b>(1,616)</b>	<b>(18,252)</b>	<b>(38,635)</b>	<b>(28,564)</b>
6. Tax (expense) / credit					
-Current Tax	-	-	-	-	-
-Deferred Tax	-	-	-	-	-
<b>7. Net Profit /(loss) after Exceptional Items and tax (5+6)</b>	<b>(35,064)</b>	<b>(1,616)</b>	<b>(18,252)</b>	<b>(38,635)</b>	<b>(28,564)</b>
8. Other Comprehensive Income/(expense)(net of tax)					
a) Remeasurements of the defined benefit plan	(17)	-	71	(17)	71
b) Income tax relating to the items that will not be reclassified to profit or loss	-	-	-	-	-
<b>9. Total comprehensive income for the period (7+8)</b>	<b>(35,081)</b>	<b>(1,616)</b>	<b>(18,181)</b>	<b>(38,652)</b>	<b>(28,493)</b>
10. Paid-up equity share capital (Face Value of Shares is Rs. 10/- each )	13,112	13,112	13,112	13,112	13,112
11. Other equity as shown in the audited balance Sheet	-	-	-	(3,10,901)	(2,72,249)
12. Earnings per equity share (of Rs . 10/- each) (not annualised):					
a. Basic	(26.74)	(1.23)	(13.92)	(29.47)	(21.78)
b. Diluted	(26.74)	(1.23)	(13.92)	(29.47)	(21.78)
See accompanying notes to the Financial Results					

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Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2022

(Rs. In Lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31-Mar-22 (Audited) (Refer note 13)	31-Dec-21 (Unaudited)	31-Mar-21 (Audited) (Refer note 13)	31-Mar-22 (Audited)	31-Mar-21 (Audited)
<b>1. Income</b>					
(a) Revenue from operations	9,698	4,740	15,346	30,764	33,274
(b) Other income	3,211	456	2,748	7,104	4,502
<b>Total Income</b>	<b>12,909</b>	<b>5,196</b>	<b>18,094</b>	<b>37,868</b>	<b>37,776</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	3,137	822	3,957	10,035	9,102
(b) Subcontracting expense	2,288	1,981	5,523	9,763	14,070
(c) Employee benefits expense	1,027	1,092	1,228	4,363	4,897
(d) Finance cost	434	2,188	2,752	4,600	4,270
(e) Depreciation and amortization	329	333	478	1,355	1,899
(f) Other expenses	1,130	2,160	1,260	7,323	3,817
(g) Expected credit loss and other provisions	15,329	4,592	21,149	21,121	23,528
<b>Total expenses</b>	<b>23,675</b>	<b>13,168</b>	<b>36,347</b>	<b>58,561</b>	<b>61,583</b>
<b>3. Profit / (loss) before Exceptional Items and tax (1-2)</b>	<b>(10,766)</b>	<b>(7,972)</b>	<b>(18,253)</b>	<b>(20,692)</b>	<b>(23,807)</b>
4. Exceptional items (net) (refer note 10)	24,299	(6,356)	-	17,943	4,758
<b>5. Profit/(Loss) before tax (3-4)</b>	<b>(35,065)</b>	<b>(1,616)</b>	<b>(18,253)</b>	<b>(38,635)</b>	<b>(28,565)</b>
6. Tax (expense) / credit					
-Current Tax	-	-	-	-	-
-Deferred Tax	-	-	-	-	-
7. Share of profit in joint ventures accounted for using the equity method	22	-	63	22	63
<b>8. Net Profit /(loss) after Exceptional Items and tax (5+6+7)</b>	<b>(35,043)</b>	<b>(1,616)</b>	<b>(18,190)</b>	<b>(38,613)</b>	<b>(28,502)</b>
<b>Attributable to:</b>					
Shareholder of the Company	-	-	-	-	-
Non controlling interests	-	-	-	-	-
<b>9. Other Comprehensive Income/(expense)(net of tax)</b>					
<b>Attributable to:</b>					
<b>Items that will be reclassified to profit or loss</b>					
a) Remeasurements of the defined benefit plan	(17)	-	71	(17)	71
b) Income tax relating to the items that will not be reclassified to profit or loss	-	-	-	-	-
Shareholder of the Company	(17)	-	71	(17)	71
Non controlling interests	-	-	-	-	-
<b>10. Total comprehensive income for the period (8+9)</b>	<b>(35,060)</b>	<b>(1,616)</b>	<b>(18,119)</b>	<b>(38,630)</b>	<b>(28,431)</b>
<b>Attributable to:</b>					
Shareholder of the Company	-	-	-	-	-
Non controlling interests	-	-	-	-	-
11. Paid-up equity share capital (Face Value Rs. 10/- each )	13,112	13,112	13,112	13,112	13,112
<b>12. Other equity as shown in the audited Balance sheet</b>				<b>(3,11,330)</b>	<b>(2,72,700)</b>
<b>13. Earnings per equity share (of Rs . 10/- each) (not annualised):</b>					
a. Basic	(26.73)	(1.23)	(13.87)	(29.45)	(21.74)
b. Diluted	(26.73)	(1.23)	(13.87)	(29.45)	(21.74)
See accompanying notes to the Financial Results					

<b>IL&amp;FS Engineering and Construction Company Limited</b> <b>CIN: L45201TG1988PLC008624</b> <b>Regd. Office : D No 8-2-120/113,Block B 1st Floor, Sanali Info Park, Road No 2 , Banjara Hills, Hyderabad - 500033</b> <b>Phone-040 40409333; Fax-040 40409444</b> <b>Website- www.ilfsengg.com; Email- cs@ilfsengg.com</b> <b>Standalone and Consolidated Statement of assets and liabilities as at March 31, 2022</b> <b>(Rs. In Lakhs, unless otherwise stated)</b>				
Particulars	Standalone as at		Consolidated as at	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	(audited)	(audited)	(audited)	(audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	4,895	7,185	4,895	7,185
(b) Right-of-use-assets	-	28	-	28
(c) Intangible assets	-	-	-	-
(d) Financial Assets				
(i) Investments	4,314	3,942	4,520	4,126
(ii) Trade receivables	2,523	2,733	2,523	2,733
(iii) Loans	1,931	1,931	1,931	1,931
(iv) Others financial assets	23,108	25,518	23,108	25,518
(e) Deferred tax assets (net)	-	24,299	-	24,299
(f) Current tax assets (Net)	2,526	6,775	2,526	6,775
(g) Other non-current assets	64,183	74,222	64,183	74,222
	<b>1,03,479</b>	<b>1,46,632</b>	<b>1,03,685</b>	<b>1,46,817</b>
<b>Current assets</b>				
(a) Inventories	2,174	3,772	2,174	3,772
(b) Financial Assets				
(i) Trade receivables	7,581	13,409	7,581	13,409
(ii) Cash and cash equivalents	10,395	6,694	10,398	6,697
(iii) Bank balances other than (ii) above	22,777	19,384	22,777	19,384
(iv) Others financial assets	1,395	1,212	1,395	1,212
(c) Current tax assets (Net)	4,314	3,117	4,314	3,117
(d) Other current assets	39,291	49,455	39,291	49,455
	<b>87,927</b>	<b>97,043</b>	<b>87,930</b>	<b>97,046</b>
<b>Total Assets</b>	<b>1,91,407</b>	<b>2,43,675</b>	<b>1,91,616</b>	<b>2,43,863</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	13,112	13,112	13,112	13,112
(b) Other Equity	(3,10,901)	(2,72,249)	(3,11,330)	(2,72,700)
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Trade payables				
Dues to micro and small enterprises	-	-	-	-
Dues to other than micro and small enterprises	21,703	16,379	21,703	16,379
(ii) Other financial liabilities	4,058	5,616	4,058	5,616
(b) Provisions	1,834	9,949	1,834	9,949
	<b>27,596</b>	<b>31,944</b>	<b>27,596</b>	<b>31,944</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Lease Liability	-	29	-	29
(ii) Borrowings	2,66,883	2,66,915	2,66,883	2,66,916
(iii) Trade payables				
Dues to micro and small enterprises	604	691	-	-
Dues to other than micro and small enterprises	73,445	72,573	74,687	73,901
(iv) Other financial liabilities	97,615	1,00,946	97,615	1,00,946
(b) Provisions	4,721	5,493	4,721	5,493
(c) Other current liabilities	18,331	24,221	18,331	24,221
	<b>4,61,600</b>	<b>4,70,868</b>	<b>4,62,237</b>	<b>4,71,506</b>
<b>Total Equity and Liabilities</b>	<b>1,91,407</b>	<b>2,43,675</b>	<b>1,91,616</b>	<b>2,43,863</b>

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**Statement of Standalone and Consolidated Cash flow Statement for the year ended March 31, 2022**

(Rs. In Lakhs, unless otherwise stated)

Particulars	Standalone as at		Consolidated as at	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>A. Cash flow from operating activities</b>				
<b>Profit / (Loss) before tax</b>	(38,635)	(28,564)	(38,635)	(28,565)
<b>Adjustment: Non cash adjustments to reconcile loss before tax to net cash flows</b>				
Company's share of profit from integrated joint ventures	-	-	(22)	(63)
Reversal for estimated future loss on projects	(7,429)	(699)	(7,429)	(699)
Depreciation and amortization expense	1,355	2,148	1,355	2,148
Provision for advances, trade receivables, other assets, future loss and impairment of property, plant and equipment	21,121	20,264	21,121	20,264
Provision/liabilities no longer required written back	(5,130)	(1,589)	(5,130)	(1,589)
Exceptional Item	17,943	4,758	17,943	4,758
Interest income from financial assets carried at amortised cost	(372)	(334)	(372)	(334)
Interest expense from financial liabilities carried at amortised cost	1	7	1	7
Interest expense	4,599	4,263	4,599	4,263
Interest income	(1,015)	(1,328)	(1,015)	(1,328)
<b>Operating profit before working capital changes</b>	<b>(7,561)</b>	<b>(1,074)</b>	<b>(7,584)</b>	<b>(1,138)</b>
<b>Movement in working capital adjustments</b>				
(Increase) / decrease in inventories	1,598	1,450	1,598	1,450
(Increase) / decrease in trade receivables	11,168	2,677	11,168	2,677
(Increase) / decrease in loans	0	(35)	0	(35)
(Increase) / decrease in other financial assets	2,227	2,932	2,227	2,932
(Increase) / decrease in other non financial assets	(918)	30,182	(918)	30,182
Increase / (decrease) in provision	(1,475)	(15,381)	(1,475)	(15,381)
Increase / (decrease) in trade payables	6,114	(7,208)	6,110	(7,207)
Increase / (decrease) in other financial liabilities	(22,832)	(6,970)	(22,832)	(6,970)
Increase / (decrease) in other liabilities	(5,890)	(4,277)	(5,890)	(4,277)
<b>Cash generated from operating activities</b>	<b>(17,569)</b>	<b>2,296</b>	<b>(17,596)</b>	<b>2,233</b>
Income tax refunded (net)	27,351	1,266	27,351	1,266
<b>Net cash from operating activities (A)</b>	<b>9,782</b>	<b>3,562</b>	<b>9,754</b>	<b>3,499</b>
<b>B. Cash flows from investing activities</b>				
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	-	(444)	-	(444)
Share of Profit in the joint ventures received	-	-	22	63
(Deposit) / proceeds from bank deposits (having original maturity of more than three months)	(3,393)	-	(3,393)	-
Sale Proceeds from Fixed Assets	962	-	962	-
Interest received	1,015	1,328	1,015	1,328
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>(1,416)</b>	<b>884</b>	<b>(1,393)</b>	<b>946</b>
<b>C. Cash flow from financing activities</b>				
Proceeds/Repayment from short-term borrowings (net)	(32)	(181)	(32)	(181)
Interest paid/BG commission	(4,628)	(4,263)	(4,628)	(4,263)
<b>Net cash flow used in financing activities (C)</b>	<b>(4,660)</b>	<b>(4,444)</b>	<b>(4,660)</b>	<b>(4,444)</b>
Net increase in cash and cash equivalents (A + B + C)	3,706	1	3,701	1
Cash and cash equivalents at the beginning of the year	6,694	6,693	6,697	6,696
<b>Cash and cash equivalents at the end of the year (Refer below for break-up)</b>	<b>10,400</b>	<b>6,694</b>	<b>10,398</b>	<b>6,697</b>
<b>Components of Cash and cash equivalents</b>				
Cash on hand	5	8	8	8
With banks - on current accounts	10,395	6,686	10,390	6,689
<b>Total Cash and cash equivalents (as per Ind AS 7)</b>	<b>10,400</b>	<b>6,694</b>	<b>10,398</b>	<b>6,697</b>

**Notes to the audited consolidated and standalone financial results for the quarter and year ended March 31, 2022:**

- (1) The above consolidated and standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on May 29, 2022.
- (2) The Company's business activity falls within a single business segment i.e. Construction and Infrastructure Development, in terms of Ind AS 108 on Operating Segments
- (3) These consolidated and standalone financial results of the Company are prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

- (4) Investigations etc. by Regulatory/Investigative Agencies:

Subsequent to adverse developments at Infrastructure Leasing and Financial Services Limited ("IL&FS") and IL&FS group level, as stated in earlier years, various regulatory and investigatory authorities are seeking information from the company as part of their investigations since 2018-19 onwards. The Company and the present management are cooperating with the respective authorities and submitting the information as sought from time to time.

Further, as per the directions of the Reconstituted Board of IL&FS, forensic audit also has been initiated for select entities including this Company. The forensic auditors submitted their final reports during May 2021 detailing certain potential anomalies in the financial statements and operations of the Company. The report has been hosted on the Company's websites and also filed with stock exchanges, submitted to SFIO etc. Based on the said report SFIO sought is seeking additional information from the Company and also requested the statutory auditors of the Company past and present to submit their audit working files

- (5) Going Concern:

The Company has incurred loss of Rs 38,635 Lakhs during the year ended March 31, 2022 (Loss for the year ended March 31, 2021 Rs. 28,564 Lakhs). The Company's net worth is fully eroded and the current liabilities exceed its current assets as at the reporting date. Existing projects being executed by the Company are nearing completion / or approaching their end of term, which resulted in significant reduction in the Company's operating revenue over the past three years. The Company has continued to default in payment of various loans to the lenders of the Company, including borrowings from promoter group entities.

As indicated in Note No. 4 above, the Reconstituted Board of Directors of IL&FS in their reports to National Company Law Tribunal (NCLT) categorized the Company under the Group "Red" implying that the Company is unable to meet its contractual, statutory and debt obligations. The Company is currently not settling liabilities existing prior to the date of reconstitution of Board of Directors of IL&FS to its Financial Creditors and the Operational Creditors.

Adverse developments in promoter group entities impacted the operations of the company and also resulted in cancellation/ termination/suspension/foreclosure of certain contracts with customers.

The Reconstituted Board and the management of the Company have taken various steps to continue the operations at present level during the period of calm granted by the Hon'ble NCLAT as part of resolution process.

Further, the Reconstituted Board is in the process of finalizing a comprehensive approach to manage the current situation including sale of existing equity share holding by IL & FS Group. In this process, the Reconstituted Board, as part of resolution process for the Company, has invited expression of interest for acquiring the equity stake in the Company. In January 2022, a bid has been received from an unincorporated Consortium which will be subjected to challenge through counter bid under a Swiss Challenge method. The successful bid would then be taken to the Committee of Creditors for their approval. If accepted, the bid would then be placed for approvals from Justice D.K. Jain (Retd.) and then NCLT.

The accompanying standalone and consolidated financial result have been prepared on a going concern basis considering the cumulative impact of above stated matters and period of calm granted by NCLAT.

(6) Interest Expense:

Consequent to the matters referred in Note no 4 and 5 above and in terms of the resolution framework process approved by NCLAT, no liabilities, including interest, default interest, indemnity claims and additional charges are to be accrued on liability existing as on the cut-off date. The Company in Compliance with resolution framework as approved by NCLAT has neither paid or recognized interest, aggregating to Rs 42,213 Lakhs approximately (excluding penal interest etc.) for the year ended March 31,2022

Interest so far not recognized payable as at March 31,2022 aggregates to Rs 1,28,480 Lakhs approximately (excluding penal interest etc.)

(7) Trade receivables and Contract assets (Retention Money and Project work in progress):

- a) An aggregate amount of Rs 25,263 lakhs included interest receivable, trade receivable and retention money recognized in earlier years and net of mobilization advance and interest payable on mobilization advance represents amount receivable from a contractee as per the arbitration award in favour of the Company. The contractee has referred the matter further to High Court of Delhi.

(8) Confirmation of Balances:

- a) As at March 31, 2022, fund-based borrowings outstanding aggregates to Rs 2,62,908 Lakhs. These include borrowings from group entities, aggregating to Rs 2,04,707 Lakhs. The Company neither serviced principal amounts and /or interest payments, wherever applicable. Further, Borrowings to the extent of Rs.17,386 Lakhs were not confirmed by

respective lenders. Adjustments to principal and interest, if any, will be recognized in the year of final settlement.

- b) The Company has not received confirmation of balances for trade receivables from customers and from parties to whom advances have been made by the Company for supply of services/goods and trade payables. Further, these balances are subject to reconciliation with respective parties. The management is confident that the settlement of these balances will be made at the carrying amounts and no provision is required at present. Adjustments for variances, if any will be made in the year of settlement.

(9) **Default in redemption of preference shares and dividend thereon:**

In the earlier years, the Company has issued 37,50,000, 6% optionally convertible cumulative redeemable preference shares (OCCRPS) of Rs 100 each, aggregating to Rs 3750 Lakhs were outstanding as on September 30, 2019. All these OCCRPS were purchased by ILFS Trust Company Limited (ITCL), now Vistra ITCL India Limited, being the trustee of Maytas Investment Trust. As per various agreements/extensions, all these OCCRPS were due for redemption as on September 30, 2019. The Company defaulted in the redemption of these OCCRPS. Further, the Company has also defaulted in payment of dividend payable Rs 1,579 Lakhs.

(10) **Exceptional Items:**

a) Based on the management assessment, Rs 24,299 Lakhs being the balance under deferred tax asset recognized in earlier years has been reversed since the threshold of reasonable certainty for carrying the deferred tax assets as at the year end has not been met

b) The Company has been legally advised that no interest is required to be paid on certain statutory dues post the cut-off date fixed by the NCLAT. Considering the same, the Company, during the year, reversed the interest accounted on such statutory dues in earlier period aggregating to Rs. 6,356 lakhs and treated the same as exceptional item.

- (11) The Consolidated financial results do not include the results of operations and other financial information related to one subsidiary viz Maytas Infra Saudi Arabia (MISA) since the subsidiary has ceased its operation for a period exceeding 3 years and the financial information is not available.

- (12) Statutory Auditors of the Company have issued qualified audit Reports on Standalone Financial Results with regard to matters stated in paragraphs 6 in their Audit Reports on Consolidated Financial Results with regard to matters stated in paragraphs 6 and 11 above and drawn emphasis of matter with respect to matters stated in paragraphs 4,5,8 and 10 above in both Standalone and Consolidated Financial Results Statement.

- (13) The figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to third quarter of respective financial year. Also, the figures up to the end of the third quarter were only reviewed by us.



- (14) These consolidated and standalone financial results will be made available on the Company's Website viz., [www.ilfsengg.com](http://www.ilfsengg.com) and websites of BSE Limited and National Stock Exchange of India Limited viz., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

By Order of the Board

For IL&FS Engineering and Construction Company Limited

CHANDRA  
SHEKHAR RAJAN

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**Chandra Shekar Rajan**  
Director  
DIN: 00126063

Place:  
Date: May 29, 2022

MANISH KUMAR  
AGARWAL

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KUMAR AGARWAL  
Date: 2022.05.29 20:29:36  
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**Manish Kumar Agarwal**  
Director  
DIN: 02885603

Place:  
Date: May 29, 2022

KAZIM RAZA  
KHAN

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**Kazim Raza Khan**  
Chief Executive Officer

Place:  
Date: May 29, 2022

NAVEEN KUMAR  
AGRAWAL

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**Naveen Kumar Agrawal**  
Chief Financial Officer

Place:  
Date: May 29, 2022

Sistla  
Srinivasa Kiran

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Rangareddy District, Telangana 501111, serialNumber=101, o=IL&FS  
Engineering and Construction Company Limited, ou=IL&FS  
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Date: 2022.05.29 19:42:22 +05'30'

**Sistla Srinivasa Kiran**  
Company Secretary

Place:  
Date: May 29, 2022

**Independent Auditor’s Report**

**To**  
**The Board of Directors of**  
**IL&FS Engineering and Construction Company Limited**

**Report on the Audit of the Standalone Annual Financial Results**

**Qualified Opinion**

1. We have audited the accompanying standalone annual financial results of **IL&FS Engineering and Construction Company Limited** (“the Company”) for the quarter and year ended March 31, 2022 (“the Statement”), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”).
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects, if any, for the matters described in Basis for Qualified Opinion section and read with material uncertainty relating to Going Concern Para below, the aforesaid Statement:
  - a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of net loss and other comprehensive loss and other financial information of the Company for the quarter and year ended March 31, 2022.

**Basis for Qualified Opinion**

We draw attention to note 6 to financial results relating to non-recognition of interest expense for the year amounting to Rs. 42,213 Lakhs (excluding penal interest, etc) on the borrowings availed by the Company in terms of the resolution framework process approved by NCLAT considering the process initiated for resolution.

- a. Consequently, interest expense and loss for the year are understated by Rs. 42,213 Lakhs (approximately); and
- b. Retained earnings (accumulated loss) and interest payable as at March 31,2022 are understated by Rs. 128480 Lakhs (approximately).

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Standalone Financial Results” section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

**Material uncertainty related to going Concern**

3. Attention is invited to Note 5 regarding continued losses, erosion of networth as at the year end, and significant reduction in the Company's income from operations and other matters detailed in the said paragraph. These events and conditions indicate a material uncertainty which cast a significant doubt on the Company's ability to continue as a going concern, and therefore it may not be able to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Company to continue as a going concern is solely dependent on the finalisation and approval of the resolution process, which is not wholly within the control of the Company.

The Management of the Company has prepared these financial results on going concern basis considering the various initiatives and developments and the period of calm granted by NCLAT.

Our opinion is not modified in respect of this matter.

**Emphasis of Matter**

We draw attention to the following notes to the financial results:

4. Note 4 regarding ongoing investigations by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO), Enforcement Directorate (ED) and other regulators / agencies against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Holding Company'), and its subsidiaries (including the Company). The financial results of the Company for the year ended March 31,2022 do not include adjustments, if any, that may arise on account of the ongoing investigations by the investigating agencies, Regulatory Authorities and other agencies , as the management, at this juncture, do not foresee any adjustments to be made in these financial results of the Company as a result of any such investigations.
5. Note 8 regarding non-receipt of confirmation of balances as at March 31, 2022 from some lenders, customers and vendors. In the absence of confirmations, the adjustments, if any, on account of unsettled transactions, to the carrying values of assets and liabilities cannot be ascertained.

The adjustments, if any, arising out of the above matters to the carrying value of assets or to the amounts disclosed in financial statements, cannot be determined at this juncture for the reasons stated in respective notes.

6. Note 10 regarding exceptional items which comprise the reversal of Rs.24,299 Lakhs deferred tax asset, based on the management assessment and reversal of interest on statutory dues Rs.6,356 Lakhs as on cut-off date fixed by NCLAT, based on the legal advise obtained by the management.

Our opinion is not modified in respect of above matters.

**Management's and Board of Directors Responsibilities for the Standalone Financial Results**

These quarter and year ended financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with applicable Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulation 33 of the Listing Regulations. The Board of Directors are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and

application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

The standalone annual financial results include the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the financial year ended March 31, 2022 and the published unaudited year-to-date figures up to 31 December 2021, which were subjected to a limited review by us.

*for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No.000459S*

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MOGALLURU

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**M.V. Ramana Murthy**  
*Partner*

Membership No.206439  
UDIN: 22206439AJVNWI8581

Hyderabad, May 29,2022

**Independent Auditor’s Report**

**To**  
**The Board of Directors of**  
**IL&FS Engineering and Construction Company Limited**

**Report on the audit of Consolidated Financial Results**

**Qualified Opinion**

1. We have audited the accompanying consolidated annual financial results of **IL&FS Engineering and Construction Company Limited** (hereinafter referred to as ‘the Holding Company’) and its subsidiaries (collectively referred to as ‘the Group’) and its joint ventures for the quarter and year ended March 31, 2022 (“the Statement”), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects, if any, for the matters described in Basis for Qualified Opinion section and read with material uncertainty relating to Going Concern Para below, these annual consolidated financial results:
  - a. include the annual financial results of the following entities:

**Subsidiaries**

- Maytas Vasista Varadhi Limited
- Maytas Metro Limited
- Angeerasa Green Fields Private Limited
- Ekadanta Green Fields Private Limited
- Saptaswara Agro Farms Private Limited
- Maytas Infra Assets Limited

**Joint Ventures**

- Maytas NCC JV
  - NCC – Maytas – ZVS (JV)
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principle generally accepted in India, of net loss and other comprehensive loss and other financial information of the Group for the quarter and year ended March 31, 2022.

**Basis for Qualified Opinion**

We draw attention to following notes to financial results:

3. Note 6 relating to non-recognition of interest expense for the year amounting to Rs. 42,213 Lakhs (excluding penal interest, etc) on the borrowings availed by the Holding Company in terms of the resolution framework process approved by NCLAT considering the process initiated for resolution.
  - a. Consequently, interest expense and loss for the year are understated by Rs. 42,213 Lakhs (approximately); and
  - b. Retained earnings (accumulated loss) and interest payable as at March 31,2022 are understated by Rs. 128480 Lakhs (approximately).
4. The Consolidated Financial Results do not include the financial results and other financial information of an overseas entity “Maytas Infra Saudi Arabia Company” for the reasons stated in Note 11. We are unable to comment on impact on the financial results for the year, carrying values of assets / liabilities and retained earnings of the Group, had the subsidiary’s financial results and other financial information been consolidated.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Results” section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Material uncertainty related to going Concern:**

5. Attention is invited to Note 5 regarding continued losses, erosion of networth as at the year end and significant reduction in the Holding Company’s income from operations and other matters detailed in the said paragraph. These events and conditions indicate a material uncertainty which cast a significant doubt on the Holding Company’s ability to continue as a going concern, and therefore it may not be able to realise its assets and discharge its liabilities including potential liabilities in the normal course of business. The ability of the Holding Company to continue as a going concern is solely dependent on the finalisation and approval of the resolution plan, which is not wholly within the control of the Company.

The Management of the Holding Company has prepared these financial results on going concern basis considering the various initiatives and developments and the period of calm granted by NCLAT.

Our opinion is not modified in respect of this matter.

**Emphasis of Matter:**

We draw attention to the following notes to the financial results:

6. Note 4 regarding ongoing investigations by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO), Enforcement Directorate (ED) and other regulators / agencies against Infrastructure Leasing & Financial Services Limited (‘IL&FS’ or ‘the Holding Company’), and its subsidiaries (including the Company). The financial results of the Company for the year ended March 31, 2022 do not include adjustments, if any, that may arise on account of the ongoing investigations by the

investigating agencies, Regulatory Authorities and other agencies, as the management, at this juncture, do not foresee any adjustments to be made in these financial results of the Company as a result of such investigations.

7. Note 8 regarding non-receipt of confirmation of balances as at March 31, 2022 from some lenders, customers and vendors. In the absence of confirmations, the adjustments, if any, on account of unsettled transactions, to the carrying values of assets and liabilities cannot be ascertained.

The adjustments, if any, arising out of the above matters to the carrying value of assets or to the amounts disclosed in financial statements, cannot be determined at this juncture for the reasons stated in respective notes.

8. Note 10 regarding exceptional items which comprise the reversal of Rs.24,299 Lakhs deferred tax asset, based on the management assessment and reversal of interest on statutory dues Rs.6,356 Lakhs as on cut-off date fixed by NCLAT, based on the legal advice obtained by the management.

Our opinion is not modified in respect of above matters.

### **Management's Responsibilities for the Consolidated Financial Results**

These quarter and year ended annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies and unincorporated entity included in the Group are responsible for assessing the ability of the each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could



reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption.. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**Other Matters**

- a. The consolidated financial statements also include the Group's share of net profit of Rs 22 Lakhs and Rs 22 Lakhs for the quarter and year ended March 31, 2022, as considered in the consolidated financial statements, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these aforesaid joint ventures, is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- b. The Financial Results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the financial year ended 31 March 2022 and the published unaudited year to date figures up to the 31 December 2021, which were subject to limited review by us.

*for M. Bhaskara Rao & Co.,*  
*Chartered Accountants*  
Firm Registration No.000459S

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**M.V. Ramana Murthy**  
*Partner*

Membership No.206439  
UDIN: 22206439AJVNXA1584

Hyderabad, May 29, 2022

## ANNEXURE I

## Standalone Financial Results

**Statement on Impact of Audit Qualifications for the Financial year ended March 31, 2022**

(See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)

Rs. in Crores

S. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
I.	1 Turnover / Total Income	378.68	378.68
	2 Total Expenditure	585.60	1,007.73
	3 Net Profit / (Loss)	(386.35)	(808.48)
	4 Earnings Per Share	(29.47)	(61.65)
	5 Total Assets	1,914.07	1,914.07
	6 Total Liabilities	1,914.07	3,199.07
	7 Net Worth	(2,977.89)	(1,285.00)
	8 Any Other financial item(s)(as felt appropriate by the management)	Refer EOM's given in the Audit Report	
<b>II. Audit Qualification (each audit qualification separately):</b>			
A.	<p><b>a. Details of Audit Qualification :</b> Note 6 relating to non-recognition of interest expense for the year amounting to Rs. 42,213 Lakhs (excluding penal interest, etc) on the borrowings availed by the Company in terms of the resolution framework process approved by NCLAT considering the process initiated for resolution.</p> <p>a. Consequently, interest expense and loss for the year are understated by Rs. 42,213 Lakh (approximately); and</p> <p>b. Retained earnings (accumulated loss) and Interest payable as at March 31,2022 are understated by Rs. 128480 Lakhs (approximately).</p>		
	<b>b. Type of Audit Qualification :</b> Qualified Opinion		
	<b>c. Frequency of qualification :</b> First time reported in the year ended March 31, 2019.		
	<p><b>d. For Audit Qualification(s) Where the impact is quantified by the auditor, Management's Views:</b></p> <p>Consequent to the matters referred in Note no 4 and 5 above and in terms of the resolution framework process approved by NCLAT, no liabilities, including interest, default interest, indemnity claims and additional charges are to be accrued on liability existing as on the cut-off date. The Company in Compliance with resolution framework as approved by NCLAT has neither paid or recognized interest, aggregating to Rs 42,213 Lakhs approximately (excluding penal interest etc.) for the year ended March 31,2022</p> <p>Interest so far not recognized payable as at March 31,2022 aggregates to Rs 1,28,480 Lakhs approximately (excluding penal interest etc.)</p>		
	<b>e. For Audit Qualification(s) Where the impact is not quantified by the auditor:</b>		
	<b>(i) Management's estimation on the impact of audit qualification:</b>		
	Not Applicable		
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>		
	Not Applicable		
	<b>(iii) Auditors ' Comments on e(i) or e(ii) above:</b>		
	Nil		

<b>III. Signatories:</b>	
1.	<p>DIRECTOR</p> <p><b>CHANDRA SHEKHAR RAJAN</b></p> <p>Digitally signed by CHANDRA SHEKHAR RAJAN Date: 2022.05.29 20:18:09 +05'30'</p>
2	<p>Chief Executive Officer</p> <p><b>KAZIM RAZA KHAN</b></p> <p>Digitally signed by KAZIM RAZA KHAN Date: 2022.05.29 18:35:44 +05'30'</p>
3	<p>Chief Financial Officer</p> <p><b>NAVEEN KUMAR AGRAWAL</b></p> <p>Digitally signed by NAVEEN KUMAR AGRAWAL Date: 2022.05.29 19:07:32 +05'30'</p>
<p><b>Statutory Auditors:</b></p> <p>for <b>M.Bhaskara Rao &amp; Co.,</b> <i>Chartered Accountants</i> Firm Registration Number: 000459S</p> <p><b>M V Ramana Murthy</b> Partner Membership No: 206439</p> <p><b>VENKATARAMANA MURTHY MOGALLURU</b></p> <p>Digitally signed by VENKATARAMANA MURTHY MOGALLURU Date: 2022.05.29 20:54:11 +05'30'</p> <p><b>Place:</b> Hyderabad <b>Date. :</b> May 29,2022</p>	

## ANNEXURE I

## Consolidated Financial Results

**Statement on Impact of Audit Qualifications for the Financial year ended March 31, 2022**

(See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016)

Rs. in Crores

S. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
I.	1 Turnover / Total Income	378.68	378.68
	2 Total Expenditure	585.61	1,007.74
	3 Net Profit / (Loss)	(386.13)	(808.26)
	4 Earnings Per Share	(29.45)	(61.64)
	5 Total Assets	1,916.16	1,916.16
	6 Total Liabilities	1,916.16	3,201.16
	7 Net Worth	(2,982.18)	(1,285.00)
	8 Any Other financial item(s)(as felt appropriate by the management)		
<b>II. Audit Qualification (each audit qualification separately):</b>			
A.	<p><b>a. Details of Audit Qualification :</b>  Note 6 relating to non-recognition of interest expense for the year amounting to Rs. 42,213 Lakhs (excluding penal interest, etc) on the borrowings availed by the Holding Company in terms of the resolution framework process approved by NCLAT considering the process initiated for submission of a resolution proposal to lenders for restructuring of existing debt resolution.</p> <p>a. Consequently, interest expense and loss for the year are understated by Rs. 42,213 Lakhs (approximately); and  b. Retained earnings (accumulated loss) and interest payable as at March 31, 2022 are understated by Rs. 128480 Lakhs (approximately).</p>		
	<b>b. Type of Audit Qualification :</b> Qualified Opinion		
	<b>c. Frequency of qualification :</b> First time reported in the year ended March 31, 2019.		
	<p><b>d. For Audit Qualification(s) Where the impact is quantified by the auditor, Management's Views:</b>  Consequent to the matters referred in Note no 4 and 5 to Results Statement and in terms of the resolution framework process, the proposal made is that liabilities relating to the relevant IL&amp;FS Group Entity, including interest, default interest, indemnity claims and additional charges, whether existing at or relating to a period after the Cut-Off Date (October 15, 2018) should not continue to accrue.  Ongoing resolution process is in line with the orders issued by Hon'ble National Company Law Tribunal Appellate Tribunal. The Company is in anticipation of obtaining necessary approval for concession/waivers from lenders has neither paid nor recognized interest, aggregating to Rs. 422.13 Crores approximately (excluding penal interest etc.) for year ended March 31, 2022.  Interest so far not recognized as payable as at March 31, 2022 aggregates to Rs 1285 Crores approximately (excluding penal interest etc.).</p>		
	<b>e. For Audit Qualification(s) Where the impact is not quantified by the auditor:</b>		
	<b>(i) Management's estimation on the impact of audit qualification:</b>		
	Not Applicable		
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>		
	Not Applicable		
	<b>(iii) Auditors' Comments on e(i) or e(ii) above:</b>		
	Nil		

<b>B</b>	<p><b>a. Details of Audit Qualification :</b> The Consolidated Financial Results do not include the financial results and other financial information of an overseas entity "Maytas Infra Saudi Arabia Company" for the reasons stated in Note 11. We are unable to comment on impact on the financial results for the year, carrying values of assets/ liabilities and retained earnings of the Group, had the subsidiary's financial results and other financial information been consolidated.</p>
	<b>b. Type of Audit Qualification :</b> Qualified Opinion
	<b>c. Frequency of qualification :</b> First time reported in the year ended March 31, 2019.
	<b>d. For Audit Qualification(s) Where the impact is quantified by the auditor, Management's Views:</b>  Not Applicable
	<b>e. For Audit Qualification(s) Where the impact is not quantified by the auditor:</b>
	<b>(i) Management's estimation on the impact of audit qualification:</b> Investment in subsidiary has been fully provided for. There were no operations for more than 3 years. Financial information will not have significant impact on the consolidated results.
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>  Not applicable
	<b>(iii) Auditors ' Comments on e(i) or e(ii) above:</b>  Nil
<b>III.</b>	<b>Signatories:</b>
<b>1.</b>	<p style="text-align: center;">CHANDRA SHEKHAR RAJAN</p> <p style="text-align: right;">Digitally signed by CHANDRA SHEKHAR RAJAN Date: 2022.05.29 20:22:09 +05'30'</p> <p>DIRECTOR</p>
<b>2</b>	<p style="text-align: center;">KAZIM RAZA KHAN</p> <p style="text-align: right;">Digitally signed by KAZIM RAZA KHAN Date: 2022.05.29 18:39:43 +05'30'</p> <p>Chief Executive Officer</p>
<b>3</b>	<p style="text-align: center;">NAVEEN KUMAR AGRAWAL</p> <p style="text-align: right;">Digitally signed by NAVEEN KUMAR AGRAWAL Date: 2022.05.29 19:06:41 +05'30'</p> <p>Chief Financial Officer</p>
	<p><b>Statutory Auditors:</b></p> <p>for <b>M.Bhaskara Rao &amp; Co.</b> <i>Chartered Accountants</i> Firm Registration Number: 000459S</p> <p><b>M V Ramana Murthy</b> Partner Membership No: 206439</p> <p style="text-align: center;"><b>VENKATARAMANA MURTHY MOGALLURU</b></p> <p style="text-align: right;">Digitally signed by VENKATARAMANA MURTHY MOGALLURU Date: 2022.05.29 20:51:37 +05'30'</p> <p><b>Place:</b> Hyderabad <b>Date. :</b> May 29,2022</p>